



General Assembly

January Session, 2007

***Raised Bill No. 1432***

LCO No. 5556

\*05556\_\_\_\_\_ENV\*

Referred to Committee on Environment

Introduced by:  
(ENV)

***AN ACT CONCERNING GLOBAL WARMING.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1       Section 1. (NEW) (*Effective from passage and applicable to conveyances of*  
2       *real property occurring on or after July 1, 2007, and prior to October 1, 2012*)  
3       There shall be established a pilot program regarding a local option  
4       municipal conveyance tax for certain community preservation and  
5       investment purposes. Any municipality may impose a buyer's tax on  
6       the conveyance of real property at the rate of not more than one-half of  
7       one per cent of the consideration paid by the buyer in excess of one  
8       hundred fifty thousand dollars except that any transfer that results in  
9       the preservation of open space land, forest or farm land, including, but  
10      not limited to, transfers between farmers and land trusts shall be  
11      exempt from such tax. Such tax shall be retained by the municipality,  
12      shall be kept in a separate account and shall be used for any of the  
13      following purposes, at the option of the municipality upon approval of  
14      the Commissioner of Environmental Protection: (A) Purchase or  
15      protection of open space land, forest or farm land by the municipality  
16      or by the municipality in cooperation with the state or federal  
17      government or with a private organization such as a land trust, (B)

18 purchase or protection of land used for recreation, including land for  
19 playing fields, beaches and shoreline access, (C) purchase or protection  
20 of interests in real property to establish access to public trust waters,  
21 (D) brownfield remediation, (E) purchase of property or development  
22 rights for affordable housing, (F) clean water projects, (G) energy  
23 conservation projects, or (H) clean energy projects.

24 Sec. 2. Section 4a-67d of the general statutes is repealed and the  
25 following is substituted in lieu thereof (*Effective from passage*):

26 (a) The fleet average for cars or light duty trucks purchased by the  
27 state shall: (1) On and after October 1, 2001, have a United States  
28 Environmental Protection Agency estimated highway gasoline mileage  
29 rating of at least thirty-five miles per gallon and on and after January 1,  
30 2003, have a United States Environmental Protection Agency estimated  
31 highway gasoline mileage rating of at least forty miles per gallon, (2)  
32 comply with the requirements set forth in 10 CFR 490 concerning the  
33 percentage of alternative-fueled vehicles required in the state motor  
34 vehicle fleet, and (3) obtain the best achievable mileage per pound of  
35 carbon dioxide emitted in its class. The alternative-fueled vehicles  
36 purchased by the state to comply with said requirements shall be  
37 capable of operating on natural gas or electricity or any other system  
38 acceptable to the United States Department of Energy that operates on  
39 fuel that is available in the state.

40 (b) Notwithstanding any other provisions of this section, (1) on and  
41 after January 1, 2008, any car or light duty truck purchased by the state  
42 shall have an efficiency rating that is in the top third of all vehicles in  
43 such purchased vehicle's class and fifty per cent of such cars and light  
44 duty trucks shall be an alternative fueled, hybrid electric or plug-in  
45 electric vehicle, and (2) on and after January 1, 2010, any car or light  
46 duty truck purchased by the state shall have an efficiency rating that is  
47 in the top third of all vehicles in such purchased vehicle's class and one  
48 hundred per cent of such cars and light duty trucks shall be alternative  
49 fueled, hybrid electric or plug-in electric vehicles.

50        [(b)] (c) The provisions of [subsection (a)] subsections (a) and (b) of  
51        this section shall not apply to cars or light duty trucks purchased for  
52        law enforcement or other special use purposes as designated by the  
53        Department of Administrative Services.

54        [(c)] (d) As used in this section, the terms "car" and "light duty  
55        truck" shall be as defined in the United States Department of Energy  
56        Publication DOE/CE -0019/8, or any successor publication.

57        Sec. 3. Section 16a-32a of the general statutes is repealed and the  
58        following is substituted in lieu thereof (*Effective from passage*):

59        The Office of Policy and Management shall amend the state plan of  
60        conservation and development adopted pursuant to this chapter to  
61        include therein a goal for reducing carbon dioxide emissions within  
62        this state. [Said office, in consultation with the Department of  
63        Environmental Protection, shall submit a report to the General  
64        Assembly on or before the thirtieth day following May 22, 1995, on or  
65        before May 1, 1996, and annually thereafter, which details the net  
66        amount of carbon dioxide emitted annually within this state.  
67        Subsequent to the May 1, 2000, submittal, said report shall be  
68        submitted every three years with the first such report due May 1,  
69        2003.]

70        Sec. 4. (*Effective from passage*) On or before February 1, 2008, the  
71        Connecticut Academy of Sciences, in consultation with the state  
72        Department of Environmental Protection, shall submit a written report  
73        regarding the expected effects of climate change on Connecticut and  
74        including recommendations on what the state should do to prepare for  
75        such effects to the joint standing committee of the General Assembly  
76        having cognizance of matters relating to the environment in  
77        accordance with the provisions of section 11-4a of the general statutes.

78        Sec. 5. (NEW) (*Effective from passage*) The Commissioner of  
79        Environmental Protection shall study the potential for integrating  
80        motorized fleets into the cap and trade mechanism of the Northeast

81 Regional Greenhouse Gas Initiative, and not later than January 1, 2008,  
82 the commissioner shall submit a written recommendation concerning  
83 what legislative action would be necessary to include transportation  
84 sources of climate change gases into regional cap and trade agreements  
85 to the joint standing committee of the General Assembly having  
86 cognizance of matters relating to the environment in accordance with  
87 the provisions of section 11-4a of the general statutes.

88 Sec. 6. (NEW) (*Effective October 1, 2007*) (a) The Commissioner of  
89 Environmental Protection shall study the availability of energy  
90 efficient lamps such as compact fluorescent lamps, halogen lamps and  
91 high-intensity discharge lamps at competitive prices for consumers  
92 and compile a list of inefficient incandescent lamps. For the purposes  
93 of this section, "incandescent lamp" means a light bulb that produces a  
94 soft warm light by electrically heating a tungsten filament until it  
95 glows where much of the energy is lost as heat.

96 (b) Not later than one hundred eighty days after the Commissioner  
97 of Environmental Protection posts such a list on the Department of  
98 Environmental Protection's web site, no retailer or wholesaler shall sell  
99 any lamp classified on such list. The Commissioner of Environmental  
100 Protection shall issue a written warning to any retailer or wholesaler  
101 who violates this subsection. Not later than thirty days after the  
102 Commissioner of Environmental Protection issues such a warning, the  
103 wholesaler or retailer shall pay a fine of not more than one hundred  
104 dollars for each sale of an inefficient incandescent lamp subsequent to  
105 the receipt of such warning.

106 Sec. 7. (NEW) (*Effective October 1, 2007, and applicable to sales*  
107 *occurring on or after said date*) There is hereby imposed a surcharge of  
108 ten cents on each sale of an incandescent lamp. Said surcharge shall be  
109 in addition to any tax otherwise applicable to any such transaction. On  
110 or after October 1, 2007, each retailer who collects such surcharge shall  
111 remit the total amount of the surcharge collected each calendar quarter  
112 to the Comptroller for deposit in the Renewable Energy Investment

113 Fund created under section 16-245n of the general statutes. For the  
114 purposes of this section, "incandescent lamp" means a light bulb that  
115 produces a soft warm light by electrically heating a tungsten filament.

116 Sec. 8. (NEW) (*Effective July 1, 2007*) Any municipality may, by  
117 ordinance, provide for the abatement in whole or in part of personal  
118 property taxes on a hybrid passenger car, as defined in subdivision  
119 (115) of section 12-412 of the general statutes, purchased on or after  
120 July 1, 2007.

121 Sec. 9. Section 12-217 of the general statutes is repealed and the  
122 following is substituted in lieu thereof (*Effective October 1, 2007*):

123 (a) (1) In arriving at net income as defined in section 12-213, whether  
124 or not the taxpayer is taxable under the federal corporation net income  
125 tax, there shall be deducted from gross income, (A) all items deductible  
126 under the Internal Revenue Code effective and in force on the last day  
127 of the income year except (i) any taxes imposed under the provisions  
128 of this chapter which are paid or accrued in the income year and in the  
129 income year commencing January 1, 1989, and thereafter, any taxes in  
130 any state of the United States or any political subdivision of such state,  
131 or the District of Columbia, imposed on or measured by the income or  
132 profits of a corporation which are paid or accrued in the income year,  
133 and (ii) deductions for depreciation, which shall be allowed as  
134 provided in subsection (b) of this section, and (B) additionally, in the  
135 case of a regulated investment company, the sum of (i) the exempt-  
136 interest dividends, as defined in the Internal Revenue Code, and (ii)  
137 expenses, bond premium, and interest related to tax-exempt income  
138 that are disallowed as deductions under the Internal Revenue Code,  
139 and (C) in the case of a taxpayer maintaining an international banking  
140 facility as defined in the laws of the United States or the regulations of  
141 the Board of Governors of the Federal Reserve System, as either may  
142 be amended from time to time, the gross income attributable to the  
143 international banking facility, provided, no expense or loss attributable  
144 to the international banking facility shall be a deduction under any  
145 provision of this section, and (D) additionally, in the case of all

146 taxpayers, all dividends as defined in the Internal Revenue Code  
147 effective and in force on the last day of the income year not otherwise  
148 deducted from gross income, including dividends received from a  
149 DISC or former DISC as defined in Section 992 of the Internal Revenue  
150 Code and dividends deemed to have been distributed by a DISC or  
151 former DISC as provided in Section 995 of said Internal Revenue Code,  
152 other than thirty per cent of dividends received from a domestic  
153 corporation in which the taxpayer owns less than twenty per cent of  
154 the total voting power and value of the stock of such corporation, and  
155 (E) additionally, in the case of all taxpayers, the value of any capital  
156 gain realized from the sale of any land, or interest in land, to the state,  
157 any political subdivision of the state, or to any nonprofit land  
158 conservation organization where such land is to be permanently  
159 preserved as protected open space or to a water company, as defined  
160 in section 25-32a, where such land is to be permanently preserved as  
161 protected open space or as Class I or Class II water company land.

162 (2) No deduction shall be allowed for (A) expenses related to  
163 dividends which are allowable as a deduction or credit under the  
164 Internal Revenue Code, and (B) federal taxes on income or profits,  
165 losses of other calendar or fiscal years, retroactive to include all  
166 calendar or fiscal years beginning after January 1, 1935, interest  
167 received from federal, state and local government securities, if any  
168 such deductions are allowed by the federal government.

169 (3) Notwithstanding any provision of this section to the contrary, no  
170 dividend received from a real estate investment trust shall be  
171 deductible under this section by the recipient unless the dividend is:  
172 (A) Deductible under Section 243 of the Internal Revenue Code; or (B)  
173 received by a qualified dividend recipient from a qualified real estate  
174 investment trust and, as of the last day of the period for which such  
175 dividend is paid, persons, not including the qualified dividend  
176 recipient or any person that is either a related person to, or an  
177 employee or director of, the qualified dividend recipient, have  
178 outstanding cash capital contributions to the qualified real estate

179 investment trust that, in the aggregate, exceed five per cent of the fair  
180 market value of the aggregate real estate assets, valued as of the last  
181 day of the period for which such dividend is paid, then held by the  
182 qualified real estate investment trust. For purposes of this section, a  
183 "related person" is as defined in subdivision (7) of subsection (a) of  
184 section 12-217m, "real estate assets" is as defined in Section 856 of the  
185 Internal Revenue Code, a "qualified dividend recipient" means a  
186 dividend recipient who has invested in a qualified real estate  
187 investment trust prior to April 1, 1997, and a "qualified real estate  
188 investment trust" means an entity that both was incorporated and had  
189 contributed to it a minimum of five hundred million dollars worth of  
190 real estate assets prior to April 1, 1997, and that elects to be a real estate  
191 investment trust under Section 856 of the Internal Revenue Code prior  
192 to April 1, 1998.

193 (4) Notwithstanding anything in this section to the contrary, (A) any  
194 excess of the deductions provided in this section for any income year  
195 commencing on or after January 1, 1973, over the gross income for  
196 such year or the amount of such excess apportioned to this state under  
197 the provisions of section 12-218, shall be an operating loss of such  
198 income year and shall be deductible as an operating loss carry-over for  
199 operating losses incurred prior to income years commencing January  
200 1, 2000, in each of the five income years following such loss year, and  
201 for operating losses incurred in income years commencing on or after  
202 January 1, 2000, in each of the twenty income years following such loss  
203 year, provided the portion of such operating loss which may be  
204 deducted as an operating loss carry-over in any income year following  
205 such loss year shall be limited to the lesser of (i) any net income greater  
206 than zero of such income year following such loss year, or in the case  
207 of a company entitled to apportion its net income under the provisions  
208 of section 12-218, the amount of such net income which is apportioned  
209 to this state pursuant thereto, or (ii) the excess, if any, of such  
210 operating loss over the total of such net income for each of any prior  
211 income years following such loss year, such net income of each of such  
212 prior income years following such loss year for such purposes being

213 computed without regard to any operating loss carry-over from such  
214 loss year allowed by this subparagraph and being regarded as not less  
215 than zero, and provided, further, the operating loss of any income year  
216 shall be deducted in any subsequent year, to the extent available  
217 therefor, before the operating loss of any subsequent income year is  
218 deducted, and (B) any net capital loss, as defined in the Internal  
219 Revenue Code effective and in force on the last day of the income year,  
220 for any income year commencing on or after January 1, 1973, shall be  
221 allowed as a capital loss carry-over to reduce, but not below zero, any  
222 net capital gain, as so defined, in each of the five following income  
223 years, in order of sequence, to the extent not exhausted by the net  
224 capital gain of any of the preceding of such five following income  
225 years, and (C) any net capital losses allowed and carried forward from  
226 prior years to income years beginning on or after January 1, 1973, for  
227 federal income tax purposes by companies entitled to a deduction for  
228 dividends paid under the Internal Revenue Code other than  
229 companies subject to the gross earnings taxes imposed under chapters  
230 211 and 212, shall be allowed as a capital loss carry-over.

231 (5) This section shall not apply to a life insurance company as  
232 defined in the Internal Revenue Code effective and in force on the last  
233 day of the income year. For purposes of this section, the unpaid loss  
234 reserve adjustment required for nonlife insurance companies under the  
235 provisions of Section 832(b)(5) of the Internal Revenue Code of 1986, or  
236 any subsequent corresponding internal revenue code of the United  
237 States, as from time to time amended, shall be applied without making  
238 the adjustment in Subparagraph (B) of said Section 832(b)(5).

239 (b) For purposes of determining net income under this section, the  
240 deduction allowed for depreciation shall be determined as provided  
241 under the Internal Revenue Code of 1986, or any subsequent  
242 corresponding internal revenue code of the United States, as from time  
243 to time amended, provided in making such determination, the  
244 provisions of Section 168(k) of said code shall not apply.



245 (c) (1) Notwithstanding the provisions of subsections (a) and (b) of  
246 this section, "net income", in the case of an S corporation, means the  
247 percentage of the nonseparately computed income or loss, as defined  
248 in Section 1366(a)(2) of the Internal Revenue Code, of such S  
249 corporation, without separate state adjustment pursuant to section  
250 12-233 or 12-226a for the compensation of any officer or employee, to  
251 which shall be added (A) any taxes imposed under the provisions of  
252 this chapter which are paid or accrued in the income year and (B) any  
253 taxes in any state of the United States or any political subdivision of  
254 such state, or the District of Columbia, imposed on or measured by the  
255 income or profits of a corporation which are paid or accrued in the  
256 income year as provided in subdivision (2) of this subsection.

257 (2) For income years commencing prior to January 1, 1997, "net  
258 income" means one hundred per cent of the amount computed under  
259 subdivision (1) of this subsection; for income years commencing on or  
260 after January 1, 1997, and prior to January 1, 1998, "net income" means  
261 ninety per cent of the amount computed under subdivision (1) of this  
262 subsection; for income years commencing on or after January 1, 1998,  
263 and prior to January 1, 1999, "net income" means seventy-five per cent  
264 of the amount computed under subdivision (1) of this subsection; for  
265 income years commencing on or after January 1, 1999, and prior to  
266 January 1, 2000, "net income" means fifty-five per cent of the amount  
267 computed under subdivision (1) of this subsection; for income years  
268 commencing on or after January 1, 2000, and prior to January 1, 2001,  
269 "net income" means thirty per cent of the amount computed under  
270 subdivision (1) of this subsection; for income years commencing on or  
271 after January 1, 2001, net income of S corporations as computed under  
272 subdivision (1) of this subsection shall not be subject to the tax under  
273 this chapter. Any S corporation subject to the tax on net income as  
274 provided in this section shall be eligible for any credit against the tax  
275 otherwise available to taxpayers under this chapter only to the extent  
276 and in the same percentage as net income of such S corporation is  
277 subject to taxation under this chapter, except that any S corporation  
278 with an income year commencing on or after January 1, 1999, but

279 before December 31, 2000, shall be eligible for the entire credit  
280 available under sections 8-395, 12-633, 12-634, 12-635 and 12-635a.

281 (d) Notwithstanding the provisions of subsections (a) and (b) of this  
282 section, "net income" shall not include: (1) Twenty per cent of the total  
283 proceeds received from the sale of greenhouse gas emission credits on  
284 or after January 1, 2008, (2) forty per cent of the total proceeds received  
285 from such sale on or after January 1, 2009, (3) sixty per cent of the total  
286 proceeds received from such sale on or after January 1, 2010, (4) eighty  
287 per cent of the total proceeds received from such sale on or after  
288 January 1, 2011, and (5) any proceeds from the sale of greenhouse gas  
289 emission credits on or after January 1, 2012.

290 [(d)] (e) The commissioner may adopt regulations in accordance  
291 with chapter 54, relating to mergers or consolidations of corporations  
292 providing for the deduction, by the surviving or new corporation  
293 provided for in the plan of consolidation, of operating losses that were  
294 incurred by a merging or consolidating corporation, respectively,  
295 before the merger or consolidation, respectively. Such regulations may  
296 follow the provisions of the Internal Revenue Code of 1986, or any  
297 subsequent corresponding internal revenue code of the United States,  
298 as from time to time amended, or the regulations thereunder.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to conveyances of real property occurring on or after July 1, 2007, and prior to October 1, 2012</i>	New section
Sec. 2	<i>from passage</i>	4a-67d
Sec. 3	<i>from passage</i>	16a-32a
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>October 1, 2007</i>	New section

Sec. 7	<i>October 1, 2007, and applicable to sales occurring on or after said date</i>	New section
Sec. 8	<i>July 1, 2007</i>	New section
Sec. 9	<i>October 1, 2007</i>	12-217

***Statement of Purpose:***

To create a pilot program to allow municipalities to impose a buyer's tax on the conveyance of real property, to require the state to purchase more efficient vehicles, to no longer require OPM to report on carbon dioxide emissions, to prohibit the sale of inefficient incandescent lamps, to impose a surcharge on the purchase of incandescent lamps, to allow the abatement of property taxes on hybrid vehicles, and to exclude the sale of greenhouse gas emission credits from income for the purposes of the corporate income tax.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*